Exhibit 2
Frequently Asked Questions

Q: As a state contact teaming with an industry partner; are the funds sent to us directly or to industry?

A: Currently, the money all goes to the state to be sub-awarded to the industrial partner(s).

Q: Summary section – **confirm whether awards will be grants (as stated in the solicitation) or cooperative agreements, which I heard was likely to be the type of award given in this current round of the program.**

A: DOE is currently planning to accomplish these awards through grants.

Q: The last sentence of paragraph 4 states that the technology/process must be ready for commercialization by the end of the project. **Will DOE require a demonstration of the technology that is open to the public at this time? Is this what is referred to as an on-site project review in the section on Grantee responsibilities on page 9?**

A: The general public will not be invited to the demonstration but relevant DOE and state personnel may attend. The results should be readied for dissemination throughout industry and the general public (excluding proprietary information).

Q: Qualified Applicants section - the last sentence of the third paragraph states **"Any sub-awards must be fully executed by December 2001 or risk de-obligation of funds." Does this apply to contracts between the primary industrial partner and their equipment suppliers, subcontractors, etc.?**

A: This refers to the sub award from the state to the primary industrial partner(s) only.

Q: Title Page/Abstract section - the third bullet states that *information must be stated for all partners*, but set off in parentheses it identifies *only the primary industrial partner, the demonstration host site, and the state agency*. **Should contact information for other industry partners also be included on the title page?**

A: Only those listed, however there may be more than one in each category.

Q: Title Page/Abstract section – the 5th bullet re: the need for DOE funding is confusing. **Should this be described in the abstract, bolded somewhere else in the proposal (if so, where?), or both?** In previous years, this information was provided in the body of the proposal.

A: The description of why the project will not go forward without DOE funding should be bolded within the abstract.

Q: Criterion 1.0 – criteria 1.3 and 1.4 appear to be redundant with respect to the pilot-scale information requested**. Please clarify how they are different.**

A: 1.3 focuses on "how" the technology works and 1.4 focuses on prior work to date to verify current stage of development.

Q: Criterion 2.0 **– is the letter from the holder of the technology rights considered one of the 10 allowed pages of additional materials, or as a required form?**

A: Required form, not included in the ten page narrative limit.

Q: Criterion 3.0 – **should energy, waste and cost savings be documented on separate forms using the format of Exhibit 4, or included as part of the application narrative?**

A: It should be included as part of the application narrative, preferably using the format in exhibit 4.

Q: If separate forms, are they counted as required forms, or as part of the 10 pages of additional information?

A: Part of the 10 pages of narrative that addresses the evaluation criteria. The data that you are inquiring about is requested through the evaluation criteria and therefore is part of the 10 pages of narrative.

Exhibit 4

Q: Should the definitions of the proposed technology and comparable competing technology be the same in terms of production capability (they were required to in previous years)?

A: It would be preferable - that way the evaluators can compare like entities. If they are dissimilar make sure your assumptions that accompany benefits describe the reason for difference and include a mechanism for the evaluators to be able to consider both units under similar light.

Q: Energy savings - the table of energy conversion factors doesn't include a factor for converting electric power to BTU. What factor should be used?

A: 10,500 BTU/kWh

Q: Waste savings – why are power generation emissions excluded; they could be significant where there are large energy savings? Will DOE make this calculation?

A: DOE will make this calculation.

Q: Economic savings – clarify what is meant by "unit cost"; is it the capital cost of the installed unit as defined earlier? Shouldn't operating costs also be addressed?

A: Provide the costs that you think will best address costs of the system/process and will provide the proper information to the evaluators so they understand the essential economic aspects of the technology. Remember to include the same costs for both units.

Criterion 4.0

Q: Should the information requested (including the list of tasks) be included in the application narrative using the format shown in the sample statement of work in Exhibit 5, or is it considered to be a required form?

A: It should be considered part of the 10-page narrative since it addresses one of the evaluation criteria, the exhibit may be used but is only a sample.

Exhibit 5 – the task/milestone table requires estimated timeframes as "months from award."

Q: Does this refer to when the applicant is notified they have been selected, when the applicant receives an NFAA from DOE, or some other event?

A: Use the expected date for project start. Milestone dates will be negotiated during the award process.

Q: When in 2001 is the "award" likely to be?

A: This is dependent on the state mechanism to put the award in place since the state process varies from state to state. First or second quarter is a reasonable time frame.

Attachment 3 (Similar Financial Assistance Applications or Awards**)**

Q: Is this form part of the 10 pages of additional information?

A: Yes

Q: Is this form required if an applicant submitted a proposal for the same project in a previous NICE^3 solicitation, and the project wasn't funded?

A: Yes

Q: Is it required if the industry partner for a current proposal received a NICE^3 award in the past for a different project?

A: Yes

Q: Please provide a checklist of all the required forms in a proposal.

A: See Attachment 1 in the solicitation.

Merit reviews

Q: Is the review process described in the Federal Register citation in the solicitation document different than that used in previous solicitations?

A: In 1998, the DOE Office of Energy Efficiency and Renewable Energy revised its Notice of Objective Merit Review Procedure in the Federal Register, 63 Fed.Reg. 27569 (May 19, 1998). This revised procedure has been used in conducting objective merit review of all discretionary financial assistance applications since its publication. It supplements the financial assistance regulations applicable to all DOE programs (Not just EERE) which are found at 10 C.F.R. Part 600. This year, the objective merit review process for I & I is essentially the same as in previous years.

Q: Please describe more fully the evaluation process to be used for this solicitation.

A: There will be a Responsiveness Review, Preliminary Technical Review, Programmatic Review, and a Merit Review Panel.

It is stated that selections for negotiations will be made from the highest-ranking applications.

Q: What will be negotiated – project scope, size of the award, something else?

A: Items that may be negotiated could include the final scope of work, the award amount, and the terms and conditions of the award.

Q: Is this the same as the statements in item F of the Notices to Applicants that "appropriate resulting award, as necessary for the particular project?" This statement implies that the award documents for the funded projects will not be the same **– is this correct?**

A: No during negotiations, there may be adjustments to cost, schedule and scope.

Total U.S. energy savings

Q: Does this refer to the savings of an individual project, or the collective savings of all the projects selected for funding?

A: It refers to the proposed technology of a specific project and its potential impact within US industry.

Q: In either case, how are the savings determined, considering that the savings given in a proposal are for only one production unit?

A: Based on information provided in response to Criteria 2 & 3.

Diversified EERE portfolio of technologies

Q: Is this referring to the technology transfer potential of an individual project, or the potential of all the projects selected for funding?

A: This refers to the diversity of projects. EERE prefers to fund a wide variety of technologies.

Number and success of prior awards – please clarify this criterion.

Q: Is it referring to prior awards made to an individual applicant or partner?

A: Yes, it refers to current EERE program interests and types of projects funded to date.

Q: If so, is a company that received a past NICE^3 award at a disadvantage in this or future solicitations?

A: No

Notices to Applicants

Applicants past performance – please clarify.

Q: Does this refer to past performance on DOE or other federal grants, or general business practices?

A: All

Q: Does it pertain only to the state agency submitting the application, or does it also include industry partners?

A: All

Environmental Impact – please describe the "environmental requirements" included on the checklist.

Q: Do they pertain to the state agency, the primary industry partner, and/or any secondary industry partners?

A: It is the standard DOE Environmental Checklist that pertains to conducting the technical portion of the project.

Q: Does the checklist assess only the impact of the proposed project, or all activities at the applicant's/partner's facilities?

A: Proposed project only.

Proprietary Application Information – clarify how information to be protected is identified.

Q: Wouldn't it be sufficient to have only one legend on a page with the specific information to be protected referring to that legend as, e.g., a footnote?

A. The applicant should mark the cover sheet of the application with the legend and specify the pages of the application which are to be restricted in accordance with the conditions of the legend.

Q: How do I submit ideas without disclosure protection?

A: Proposal information that the submitter marks as proprietary will be protected from disclosure by the Government. It is incumbent on the proposer to clearly mark information that they want protected. All evaluators are required to sign Non-disclosure and confidentially certificates in which they agree to keep proposal information confidential and not disclose it.

Q: I am assuming that the NICE3 solicitation, although concurrent, is separate and that it is possible to receive grants from both I&I and NICE3 for different projects. Am I correct in this assumption?

A: Yes

Q: Are all attachments to be included in the proposal documentation submitted?

A: Include Attachments 2 and 3

Q: Are the attachments to be considered part of the "additional information"?

A: No

COST SHARING:

Q: How is equipment to be documented-only as a separate task item if more than 10% total project cost?

A: Equipment costs are documented (as a separate task) only if those costs are more than 10% of the total project cost.

Q: Is custom fabricated equipment to be handled the same way?

A: Yes.

Q: Consultant Time: Are hourly rates to be at standard market rates? If so they include profit, yet "profit", according to solicitation requirements, is not to be included.

A: Rates are based on the documented rate for that consultant.

Q: How is the rate for consultant time to be handled in the cost sharing area?

A: If the consultant rate and effort is an in-kind contribution then it will be captured in the non-federal contribution. If it is a subcontract to be paid with federal funds then it will be part of the federal contribution. If it is a subcontract to be paid with non-federal funds then it will be part of the non-federal contribution.

Q: What is meant by "demonstration host site"?

A: This term refers to the location and/or company where the technology/process will be demonstrated.

Q: What if demonstration project is to be implemented through more than one location?

A: List all of the companies and locations of the demonstrations and discuss the process flow if it will be an integrated demonstration.

Q: The location of our "demonstration site" is to be selected during the proposed project from a number of alternative possibilities? Is this acceptable? How should we address this in the section of the application requiring indication of the "demonstration site"?

A: Discuss the potential demonstration sites and that a decision will be made after certain activities are completed or a given timeframe has been met.

Task/milestone table

Q: We have approximately 100 tasks in our project schedule (Computer Generated). Do the reviewers want to review a detailed breakdown or only summarized breakdown?

A: Provide enough detail so the evaluators thoroughly understand what tasks are required to complete the scope of work.

Q: Can a GANNT chart be used to indicate timeframe of tasks instead of on the task table?

A: Yes but please provide all of the material represented in Exhibit 5.

Q: The "Application for Federal Assistance" is included in the "Guidance for Preparation of NICE3 application". Is this to be included in the same location and is it to be included in the count of 10 pages?

A: Place the **"**Application for Federal Assistance" at the beginning of the cost section. This is not part of the 10-page limit.

Q: Can drawings or charts be on paper larger than 8.5" x 11" (17"x 11") and Fold into the bound application 8.5" x 11" size?

A: Yes but they may be counted as more than one page if it is larger than 8 ½x 11.

Q: Criterion 2.5 - clarify the scope of costs you are looking for in the requirement to " present the estimated total cost to bring the technology to market..." For example, **should this address such costs as marketing and distribution (these may be difficult to estimate at this point in the project)?**

A: Yes – we are looking for a reasonable estimate - basically showing the evaluators that you have thought through the commercialization process.

Q: Exhibit 5 - **the task/milestone table in the sample scope of work shows most expenses occurring in the demonstration phase of the project, and very little in the pre-demonstration phase. Is this the type of pattern of expenditures? Or is the sample table based on the assumption that most of the major costs (e.g., equipment, supplies, etc.) are expended during the demonstration phase?**

A: Each project is different, however a Nice 3 proposal must fall within the development stage 5 and complete a demonstration by the end of the grant period as described in the solicitation.

Q: The sample table doesn't seem reasonable if you consider the demonstration to occur after the project equipment is installed and has been operated for a period sufficient to obtain the Necessary performance data.

A: Keep in mind that the NICE3 program is a demonstration program and the emphasis of funding activities should address scale-up, demonstration activities, data collection, and initial commercialization activities. The sample was provided primarily for format consideration.

Q: Attachment 3 (Similar Financial Assistance Applications or Awards) **– is this form required only in the case of similar Stage 5 work, or should it be completed if the similar work involved pilot and/or feasibility testing activities?**

A: It should address ALL similar work regardless of stage of development.

Q: Within the single spaced 10-page application, how are graphs or charts considered?

A: They are considered as part of the 10 page narrative or you can put them in the 10 pages of supplemental material and refer to them from the 10 page narrative section.

Q: It appears from the instructions and from the information we have to present that we'll have to include at least a table or chart in the application. How strict is the "single spacing"?

A: You do not have to single space tables and charts.

Q: Do Universities qualify as state agencies? Or would we need to partner with another state or local entity?

A: Universities do not qualify as state agencies. The solicitation states: Applicants shall be a state agency in partnership with an industry partner(s).

Q: Are we required to follow the subpoints "by the number" (1.1, 1.2, etc....), or may we present a "free-flow" of narrative, covering all of those points in one body?

A: Free-flow is acceptable as long as you address all of the subpoints.

Q: Resumes and required forms are not counted as part of the page limit for additional information. Are they counted in the page limit for the narrative?

A: NO

Q: Narrative must be in a 12 point font, Will DOE consider increasing the page limit and/or allow us to follow the example in Exhibit 5 by using a smaller font?

A: DOE will not consider increasing the page limit and/or allow a smaller font. Please follow the instructions in the solicitation. You can make the table landscape if you need to fit all the information in.

Q: Can the proposal be submitted directly from the industrial applicant with a letter of sponsorship included from the state agency or does the document have to be submitted directly from the state agency itself?

A: Directly from a participating state agency.